

Community Development Block Grant Program

General Program Administration

General Financial Information

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Explanation of Terms and Definitions

The United States Department of Housing & Urban Development's Office of Community Planning and Development has oversight of federal housing and community development programs established by the Housing and Community Development Act of 1974 as amended, the Stewart McKinney-Vinto Act, and the Cranston-Gonzalez National Affordable Housing Act. Among the programs authorized under these Acts is the Community Development Block Grant Program. The primary goal of this program is to provide assistance to low and moderate income persons and families.

Funds authorized by Congress under the Community Development Block Grant Program are made available to entitlement cities according to a formula allocation. The city receives the formula grant annually as participants in the program.

Entitlement Grant

The Entitlement Grant is awarded by program year. A program year is the authorized operating period of a particular program. The term is usually used to distinguish the program's operating period from the federal government's fiscal year. The city of Springdale's Program Year is the 12 month period beginning July 1 in the fiscal year for which the appropriation is made and ending June 30 the following year. For example: Program Year 2016 is July 1, 2016 through June 30, 2017.

The City of Springdale has received an Entitlement Grant since 1975. The entitlement grant may increase or decrease each year, the amount of the grant is determined by a formula the Department of Housing & Urban Development uses to calculate the amount each entitlement city will receive.

Income Guidelines

The income guidelines are adjusted annually and are released by the Department of Housing & Urban Development.

To qualify as a low-income person or family the Adjusted-Gross-Income must be 80% or less of the median adjusted for family size.

Person's Adjusted-Gross-Income:

- the gross income (before deductions) of a person over the age of 18; this includes wages, salaries, overtime, social security benefits, veteran's benefits, retirements, pensions, child support, unemployment, alimony, commissions, interest and trust income, royalties and income from assets

Household's Adjusted-Gross-Income:

- the gross income (before deductions) of all members over the age of 18 and living in the home;
- this includes wages, salaries, overtime, social security benefits, veteran's benefits, retirements, pensions, child support, unemployment, alimony, commissions, interest and trust income, royalties and income from assets

Integrated Disbursement & Information System (IDIS)

To enable the Department of Housing & Urban Development to better manage the disbursement of grant funds and to track on a real time basis the progress being made by grantees in serving low-to-moderate-income persons and families, the Integrated Disbursement & Information System (IDIS) was developed.

The city uses the Integrated Disbursement & Information System to disburse funds from the federal treasury and to report to the Department of Housing & Urban Development on their program accomplishments, including the characteristics of persons served through program activities. In the Integrated Disbursement & Information System funds are not disbursed from a grant on a "lump sum" basis. Funds are disbursed by each separate activity that the city carries out to meet program goals.

The Integrated Disbursement & Information System uses a Project/Activity relationship. A project is a specific program. The entire grant allocation is allocated among the projects. The four projects the city has setup under the Community Development Block Grant are eligible to be funded from the annual Community Development Block Grant allocation. However, the city does not require funds be committed to each of the four projects. The city only requires that Program Administration and Housing Services activities be funded each program year. Projects are listed in the Annual Action Plan and describe the proposed use of program funds. In the Integrated Disbursement & Information System, Projects are used to link Activities back to the Annual Action Plan.

Projects in the Integrated Disbursement & Information System are:

- Program Administration
- Housing Services
- Public Services
- Public Facilities

Each activity is associated with a "Project". All activities carried-out by the city will be linked to one of the four projects: An activity is a specific activity where the grant funds are committed to carry out that activity. Activities carried out the prior program year are listed in the Consolidated Annual Performance and Evaluation Report and describe the use of program funds. For example: Housing Services is the Project. Under this project, activities will be Housing Administration, Lead-based Paint Program, Paint Program and the Housing Rehabilitation Program. Each Housing Rehabilitation activity is required to be listed separately because each activity has a different project address. Each activity

in the Integrated Disbursement & Information System has its own activity number used to track and fund that activity. During a single program year on average there are 35 separate activities listed under the project known as Housing Services.

Entitlement Grant funds are withdrawn from IDIS on a monthly basis to reimburse the city for the expenses the CDBG Program incurred during the month. Normally the funds are drawn-down the second to the last business day of the month. The funds are transferred electronically to the city's bank account within 24 hours.

Planning & Community Development Director

The City of Springdale's Planning & Community Development Department has the primary responsibility for overseeing the Community Development Block Grant Program. The Planning and Community Development Director is not a member of the CDBG Committee but, is required to attend all committee meetings. The Planning and Community Development Director informs the chairperson of the Community Development Block Grant Committee when the annual meeting needs to be held and any other time a meeting is necessary.

The Planning & Community Development Director has the responsibility to approve and sign-off on all documents before they are submitted for payment.

The Planning & Community Development Director must log-in to the Integrated Disbursement & Information System to approve the Drawdown Voucher. After the Drawdown Voucher is approved by the Planning & Community Development Director, the money is wired directly to an account that has been setup at a local bank. The city's financial director then moves that money to the appropriate accounts it used to pay the monthly Community Development Block Grant expenses.

Community Development Block Grant Director

The City of Springdale's Community Development Block Grant Program Director is responsible for administering the Community Development Block Grant Program. This includes maintaining the CDBG Program budget, tracking and recording all funds disbursed from the entitlement grant and other funds generated by the entitlement grant.

The Community Development Block Grant Program Director is responsible to review and record all invoices, billing statements and check request submitted for payment from the Community Development Block Grant Program. Mondays at 5:00pm is the deadline to submit an invoice, billing statement or check request for payment to the Community Development Block Grant Director. Invoices, billing statements and check request received on Mondays will be processed on Tuesdays and the check will normally be available on that Friday.

The Community Development Block Grant Program has a \$100,000 line-of-credit with

the city's Accounting Department. The Community Development Block Grant Director records all invoices, billing statements and check requests submitted for payment to the city's Accounting Department. The city then pays the Community Development Block Grant Program's weekly expenses. On the second to the last business day of each month the Community Development Block Grant Director logs into the Integrated Disbursement & Information System and prepares a Drawdown Voucher to reimburse the city for the total monthly Community Development Block Grant Program expenses.

The Community Development Block Grant Director has the responsibility to track and record all receivable income and disbursements from and to activities that generate income because of the Entitlement Grant.

The Community Development Block Grant Director is not a member of the CDBG Committee but, is required to attend all committee meetings. The CDBG Program Director is responsible to prepare a summary of each Application for Funding received describing the agency's name, address, type of services provided, use of requested funds, amount of funds requested and other pertinent information the committee may need to make a sound decision on which agency(s) to fund and how much funding will be awarded for the upcoming program year.

Community Development Block Grant Committee

The City has a Community Development Block Grant Committee consisting of four city council members. The committee is responsible to review a summary of all "Request for Funding" that was submitted to the Community Development Block Grant Director. The committee shall decide which agencies will be awarded funding for the program year and how much funding each agency will be awarded. The committee meets annually and at other times as necessary during the program year.

Receivable Income

- Entitlement Grant: the annual grant allocation awarded to the city by the Department of Housing & Urban Development;
- Program Income: income generated (received) because of the entitlement grant; rebates received from natural gas and electrical suppliers because the city installed energy star fixtures and equipment, owners whom sell their home after it was rehabbed with entitlement grant funds, single family dwellings the city owned and resold after the dwelling was rehabbed with grant funds;
- Homeowner Funds: income received from homeowner(s) required to pay for any maintenance work on their home, upgrades from standard grade material to a higher grade material and any additional work the homeowners want to have performed while a contractor is under the contract;
- Contributions: funds donated by banks, businesses, homeowners and other

outside agencies, funds earned from the recycling of metal;

Financial Reports

The Department of Housing & Urban Development requires different types of financial reports be prepared and submitted at different times of the year.

- Quarterly: Federal Financial Report SF-425 must be submitted at the end of each quarter. The report identifies the total amount of Entitlement Grant funds the city withdrew from the federal treasury during the quarter, this report also identifies the total amount of Program Income the CDBG Program received and disbursed during the quarter. The quarterly reports are prepared for the quarters January 1 - March 31, April 1 – June 30, July 1 – September 30, October 1 – December 31;
- Semi-Annual: Semi-Annual Labor Standards Enforcement Report – Local Contracting Agencies (HUD Programs) HUD Form 4710 must be submitted semi-annually for the federal government's physical year. The report identifies the total amount of Entitlement Grant funds the city disbursed to contractors for public facility projects. This report must be prepared and submitted even if there were no contracts to report. The semi-annual reports are prepared for the periods October 1 – March 31 and April 1 – September 30;
- Annual: Contract and Subcontract Activity HUD Form 2516 must be submitted annually for the federal government's physical year. The report identifies all contracts and subcontract activities funded with Entitlement Grant funds of \$10,000 or more during the reporting period. This report must be prepared and submitted for the period of October 1 – September 30;

Community Development Block Grant Projects

Program Administration

1. Planning and administration is an in-house program which covers the general management and oversight of the Community Development Block Grant Program. Other expenses include but not limited to: display ads, travel and training, other related expenses involving the general administration of the program. Administration of the Community Development Block Grant Program is performed by the Community Development Block Grant Program Director.
2. Department of Housing & Urban Development regulations places a limit (cap) on how much of the program year grant may be allocated for Program Administration. The cap for Program Administration is 20%. Meaning; a maximum of 20% of the total program year grant may be disbursed for Program Administration activities during any program year.

Housing Services Program

1. Housing Services is an in-house program and is the city's primary objective. Expenses associated with this program include but not limited to: cost to administer the program including salaries, postage, vehicle and other eligible expenses necessary to carry out the program. This program also includes but, is not limited to activities covering Housing Rehabilitation, Emergency Repairs, Lead-based Paint, Self-Help, Volunteer and Painting activities. These activities are directed to qualified low-to-moderate-income homeowner's of single-family owner-occupied dwellings within the Springdale city limits.
2. Department of Housing & Urban Development regulations do not place a limit (cap) on how much of the program year grant may be allocated for the Housing Services Program.
3. The city does not award any agency or organization funds from the Community Development Block Grant Program for external Housing Improvement Programs.

Public Services Program

1. Department of Housing & Urban Development regulations places a limit on how much of the program year grant may be allocated for Public Service Activities. The cap for Public Services is 15%. Meaning; a maximum of 15% of the total program year grant amount may be disbursed for all combined Public Service Activities during any program year.
2. Public services such as (a) shelter for abused women and children (b) health care and substance abuse services, (c) activities to help prevent or address homelessness, (d) fair housing counseling, (e) job training and, (f) services for the elderly, disabled, or disadvantaged youths, etcetera.
3. Non-profit agencies, including faith-based organizations may apply for funding from the city's Community Development Block Grant if, they provide a public service to low-income individuals and/or families, including but not limited to: child care, health care, recreation, education, homeless persons, senior citizens, etc.
4. Agencies awarded funds from the Community Development Block Grant Program are required to have a Duns Number (Data Universal Numbering System). The Data Universal Numbering System, abbreviated as DUNS or D-U-N-S, is a proprietary system developed and regulated by Dun & Bradstreet (D&B) that assigns a unique numeric identifier, referred to as a "DUNS number" to a single business entity.
5. It is the city's policy not to commit more than 10% of the total program year grant to all combined Public Service Activities during the program year.

6. It is also city policy, not to award any sub-awards from the Community Development Block Grant in excess of \$24,000.00 to any individual agency for a public service activity.
7. If, the city provides an agency with a sub-award of \$25,000 or greater the city is required to submit a Federal Funding Accountability and Transparency Act (FFATA) sub-award report. The report is due by the end of the month following the month in which the sub-award was awarded. The sub-award information shall be entered into the Federal Funding Accountability and Transparency Act Sub-award Reporting System (FSRS) www.fsrs.gov
8. Legislation requires information on the sub- award be made available to the public via a single, searchable website: www.USASpending.gov
9. Sub-award is a legal instrument to provide support for the performance of any portion of the substantive project or program for which a recipient received a grant or cooperative agreement award and that is awarded to an eligible sub-recipient. The term does not include procurement of property and services needed to carry out the project or program. A sub-award may be provided through any legal agreement, including an agreement that the recipient considers a contract. Reference: 2 CFR parts 170.
10. Sub-recipient is a non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program. A sub-recipient may also be a recipient of other federal awards directly from a federal awarding agency. Circular A-133: Audits of States, Local Governments and Non-profit Organizations.

Public Facilities Program

1. Department of Housing & Urban Development regulations do not place a limit on how much of the program year grant may be allocated for the Public Facilities Program.
2. Public Facility projects include but not limited to improvement projects such as: (a) acquisition, installation, construction, and rehabilitation of infrastructure (water/sewer lines, streets, and sidewalks) and (b) acquisition, construction or rehabilitation of neighborhood facilities, and facilities for persons with special needs, (homeless shelters, group homes and halfway houses), etcetera.
3. This program also includes parks, playgrounds, upgrades and improvements to 4 public facilities that provide a service to low-to-moderate-income individuals and/or families. Facilities that provide services include but not limited to: child care, health care, recreation, education, homeless persons, senior citizens.

4. Non-profits including faith-based organizations may apply for funding from the city's Community Development Block Grant if, their building provides a public service to low-to-moderate-income citizens.
5. The city places a \$100,000 limit per program year it may allocate and disburse for Public Facility projects. Meaning; a maximum of \$100,000 may be allocated for a public facility project during any single program year.

Applications for Funding

Applications for Funding will be made available to agencies the first Wednesday in January annually and may be downloaded from the City's website under the office of Community Development. Agencies requesting funding from the Community Development Block Grant Program must return their completed application and all required documentation no-later-than the first Friday in February annually.

Community Development Block Grant Program funds generally may not be used for religious activities or provided to primarily religious entities for activities. Program funds may be used for eligible public services to be provided through a primarily religious entity, provided that the religious entity enters into an agreement with the city stating it will not discriminate on the basis of religion and it will not provide any sort of religious services or other types of influential activities.

Non-profit agencies, including faith-based organizations may apply for funding from the Community Development Block Grant Program if, they provide a public service to low-income individuals and/or families, including but not limited to: child care, health care, recreation, education, homeless persons, shelter for abused women and children, substance abuse services, fair housing counseling, job training and services for senior citizens, handicapped, or disadvantaged youths, etcetera.

The city's public service funding priorities are agencies that:

- provide a service to veterans and their families;
- provide a service to the homeless or aid in the prevention of homelessness;
- uses the grant funds as a direct benefit to their clients (does not use the grant funds for staff salaries or other administrative cost);
- are located in Springdale and provide a public service to mainly Springdale residents;
- Serves multi-city or multi-county clientele. These agencies must provide documentation of the number of clients that have been served within the past 12 months and their place of residence. Program funds will be awarded based upon the percentage of clients who reside in Springdale. In the case of activities that

have multiple funding sources, program funds will not be released until all funding to complete the activity is secured.

The Community Development Block Grant Program Director will review each Application for Funding for completeness and to ensure all required documentation is attached with the Application for Funding.

All agencies submitting an Application for Funding will be notified by the Community Development Block Grant Director of the status of their application at the completion of the committee meeting.

The City cannot award any program funds to any agency until the City has received its program year allocation from the Department of Housing and Urban Development. Funding award (sub-recipient) agreements will be prepared by the Community Development Block Grant Program Director and will be effective on the first day of the program year. However, funds are not provided to the sub-recipient until all documents have been signed by the Mayor, City Clerk, City Attorney and the authorized representative of the agency receiving the funds.

Sub-recipient

Agencies selected to receive program funds are known as sub-recipients and will be required to enter into an agreement with the City before receiving their approved funding allocation from the grant;

- Sub-recipients must be prepared to begin their proposed activity on or about June 1st of the program year;
- Quarterly programmatic reports with supporting documentation will be required;
- Monitoring visit(s) will be performed by the CDBG Program Manager to ensure compliance with appropriate rules and regulations;
- Staff from the Department of Housing & Urban Development's Little Rock field office may perform a monitoring visit to ensure compliance with appropriate rules and regulations;
- Income must be documented and verified for each client or household;
- Public Service and Public Facility project records must be maintained for 5 years from the completion of the project;